



January 5, 2007

Via UPS 2nd Day (Signature Required)

Stephanie O'Callaghan
11 Glengary Road
Groton-on-Hudson, NY 10520

RE: INTENT TO TERMINATE FRANCHISE AGREEMENT

Area: The City of Limits of Dobbs Ferry, New York; The City Limits of Hasting-on-Hudson, New York; The City Limits of Irvington, New York; and The City Limits of Ardsley, New York

Dear Stephanie:

Curves International, Inc. ("Curves") hereby informs you of its intent to terminate your Franchise Agreement dated July 6, 2000, the city limits of Dobbs Ferry, New York; the city limits of Hasting-on-Hudson, New York; the city limits of Irvington, New York; and the city limits of Ardsley, New York ("Agreement") for failure to submit fees in accordance with Section 3 B & C of the Agreement. Curves' records indicate that you currently owe the following:

- * Delinquent royalty fees in the amount of \$3,555.00 for the months of April 2006, May 2006, June 2006, July 2006, August 2006 September 2006, October 2006, November 2006 and December 2006, as well as late fees in the amount of \$315.00;
- * Delinquent advertising fees in the amount of \$1,755.00 for the months of April 2006, May 2006, June 2006, July 2006, August 2006, September 2006, October 2006, November 2006 and December 2006, as well as late fees in the amount of \$315.00;

Curves must be in receipt of a cashier's check totaling the amount of \$5,940.00 for the above delinquent fees and payments within **TEN (10) DAYS** of your receipt of this letter. You must send your cashier's check to: Jeff Burchfield, General Counsel, Curves International, Inc., 100 Ritchie Road, Waco, Texas 76712. Absent a response within the specified time period, Curves will have no choice but to terminate your Agreement. Upon termination, you may be reported to your local credit bureau and a collection lawsuit may be filed against you which asks the court to award Curves monetary and equitable relief, including all delinquent amounts, attorney's fees, court costs, damages and enforcement of the post-termination covenant not to compete.

If you dispute any portion of this debt or require additional information, please feel free to contact me in writing via facsimile at (254) 399-9509, or via email at curveslegal@curves.com. Be advised that this is an attempt to collect a debt and any information obtained will be used for that purpose.

Very truly yours,

Curves International, Inc.

By:



Jeff Burchfield
Assistant General Counsel

curves
SHIPMENT RECEIPT
 01/05/07 01:29 PM

UPS Account No.: E79847
 Sorted By: Order of Shipment

Name/Address	Shipment Detail	Options	Reference Rate Charges
Ship To: STEPHANIE O'CALLAGHAN 11 GLENGARY RD CROTON ON HUDSON NY 10520-2139 (Residential)	Service Type: UPS 2ND DAY AIR Total Packages: 1 Hundredweight: No Billable Wt.: LTR Billing Option: Prepaid Package Ref No.1: Legal	Shipment Service Charge:	\$ 13.47
Ship From: curves 100 Ritchie Rd WOODWAY TX 76712	Tracking No.: 1ZE796473577915958 Package Type: UPS Letter Package Ref No.1: Legal	Delivery Confirmation Charge: Shipper Amt: UPS Total Charge*:	\$ 2.25 \$ 15.72 \$ 15.72

Summary Totals:

Shipment Option	Shpts	Pkgs	Ref Charges	Billing Option	Shpts	Pkgs	Ref Charges
Package Option Delivery Confirmation		Pkgs 1	Ref Charges \$ 2.25	Prepaid	1	1	\$ 15.72
TOTAL CHARGES*							\$ 15.72
1 Shipment(s) 1 Package(s)							

* Fuel Surcharge Included